

REMARKS

A request for a one-month extension of time is enclosed. Applicant respectfully requests that the changes to the drawings be held in abeyance until claims are allowed.

Claims 1-20 remain in the case. Claim 20 is newly added. Reexamination is respectfully requested.

Claim 12 was rejected under 35 U.S.C. § 102(e) as being unpatentable over Pare, Jr. et al. ("Pare"; U.S. Patent No. 6,230,148). Applicants respectfully traverse.

The present invention discloses a system and method for verifying, settling, guaranteeing and printing checks at a check printing location that is remote in reference to the client. The merchant cashes the printed check as a standard bank draft. In this way, a physical record of the transaction, the printed check, is negotiated and subsequently returned to the client.

The Pare reference discloses an electronic check financial transaction system that verifies the identity of a potential customer through the use of biometrics and avoids physical checks entirely. The Pare reference discloses a system that immediately debits a client's account and credits a merchant's account, to transact a transfer of payment for goods or services that have already been selected. Pare is directed to an entirely different purpose than that of the present invention.

Pare discloses that the payer is identified using a Party Identification Apparatus (PIA) and the payee is identified through the use of digital certificates (col. 14, ll. 34-42). The Office Action asserts the payer identification anticipates the claimed element "connecting a client computer to a merchant server at a location remote from the client computer". The operation of this claimed element differs both in function and result from that of the Pare reference. The function is the client communicating with a merchant's server in order to make a selection for

purchase. The result is the transmitting of the selection to the merchant's computer. In contrast, the Pare function is to compare the unique identifying information supplied by the user of the PIA to the user's validated information. The result is a validation or invalidation of identity.

Pare discloses in Fig. 4 a diagram of the Data Processing Center (DPC). The Office Action asserts Fig. 4 of Pare anticipates the claimed element "transmitting an order from the client computer to the merchant server". The Data Processing Center of the Pare reference is a secure remote computer where the identifying data from the PIA is compared with the expected identifying data, and from where pre-defined account information is retrieved that will be used for payment. In contrast, the transmitting step of the present invention communicates the order for a good or service to the merchant. The step does not supply payment information nor does it reference account information stored elsewhere. In the present invention, an order is placed by the client from a remote computer. In Pare, the order was already placed, through a retail point of sale or other device, and only payment is transacted to complete the order (Pare col. 14 ll. 13-20).

Pare discloses in Fig. 6 a "Payor Checking Account Selected". The Office Action asserts this anticipates "selecting payment by check". However, in Pare the checking account that is selected was already defined as one of a set of previously registered accounts that may be used to transact payment. This selection in Pare may be an automated step, without user intervention, in the case where there is only one previously registered checking account defined for the user with the Data Processing Center. In the present invention, at this step, the client is directing payment from a checking account that was not previously defined and stored on the remote server.

Pare describes an interaction between the identification system and a user where the user retains control of the transaction to approve the transfer of payment (col. 13 ll. 66-67 and col. 14

ll. 1-19). The Office Action asserts this anticipates "connecting the client computer to a check server". However, in the present invention, the step of connecting to the check server is a request for the check server to take control of the transaction (App. page 3 ll. 23-25). The check server interrogates the client through the client computer for customer data including personal identification and checking account information (App. page 3 line 23 to page 4 line 3), and then forwards that information to a check verification server that determines whether an approval should be issued based upon the customer information supplied by the client and the credit history of the customer (App. page 4 ll. 4-8).

Pare describes how the information regarding the biometric sample is translated and compressed for rapid transmission to the Data Processing Center (col. 13 line 62 to col. 14 line 8). This biometric information, captured by the PIA under the user's control, represents at least one, unique physical artifact of the user. The amount of information needed to communicate this unique artifact may be very large. The Office Action asserts this anticipates "inputting customer data at the client computer". The Pare device captures a biometric sample that is used to find and validate the user's account information. In the present invention, the client enters customer and checking account information directly into the client's computer. Further, "transmitting customer data from the client computer to the check server" is under the control of the check server (App. page 3, ll. 23-25), not under the user control as in Pare.

Applicants respectfully request that this rejection be withdrawn.

Claims 1-4, and 13-15 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Pare, Jr. et al. in view of Carlson et al. ("Carlson"; U.S. Patent No. 5,053,607). Applicant respectfully traverses.

Regarding independent Claim 1, The Office Action asserts that it would have been obvious to combine Pare with Carlson in order to allow the seller to generate physical proof of the transaction. The Carlson disclosure is drawn to a printer that is "specially adapted for printing upon the rear side of a negotiable instrument such as a check" (Carlson col. 4, ll. 50-52). Further, Carlson's purpose for printing on the back of the check is to record information regarding the transaction, or print an endorsement for the merchant's deposit account (Carlson col. 10 ll. 15-62). This is completely different from the printing of a check document that can be negotiated and deposited as a standard bank draft, as in the present invention. The Office Action asserts that Carlson is used to "generate physical proof of the transaction". Carlson teaches printing a receipt in the form of a cancelled check at the time of a face-to-face transaction wherein the check is cancelled and an electronic transaction is substituted. The cancelled check is immediately returned to the waiting customer showing the amount of the substituted electronic debit. This is not the printing of a check document that can be negotiated.

Applicants respectfully submit there is no suggestion in Pare or Carlson for the suggested combination and the references do not teach the claimed invention even if combined as suggested. Pare teaches a system that does not use physical checks at all. Carlson discloses printing on the back of a physical check to endorse or cancel a check. Applicants respectfully submit that independent Claim 1 patentably defines over the references of record.

Regarding Claim 2, which adds a further limitation to independent Claim 1, the Office Action takes Official Notice that "confirming the order by a message from a merchant server to the client computer and the check verification server" is common and well known in the prior art in reference to network transactions. Applicants respectfully traverse. Applicants request either an affidavit or citations to prior art that show such a step in the context of the present invention.

Regarding dependent Claim 3, Applicants respectfully submit that the Pare and Carlson references cannot be combined as suggested without ignoring the express teachings of Pare and Carlson. Claim 3 adds a further limitation to independent Claim 1 that is implemented in a particular embodiment using the Internet. Because independent Claim 1 defines over the references for the reasons stated above, so does dependent Claim 3.

Claim 4 depends from and further limits Claim 1 by requiring that the check printer is a secure check printer. Carlson discloses printing on the back of a physical check to endorse or cancel a check. No special secure check printer is disclosed or taught in Carlson. Applicants respectfully submit that Claim 4 patentably defines over the references of record.

Claim 13 depends from independent Claim 12, adding a further limitation to independent Claim 12. The Office Action takes Official Notice that "confirming the order by a message from a merchant server to the client computer and the check verification server" is common and well known in the prior art in reference to network transactions. Applicants respectfully traverse. Applicants request either an affidavit or citations to prior art that show such a step in the context of the present invention.

Applicants respectfully request that this rejection be withdrawn.

Claims 5-11 and 16-19 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Pare in view of Carlson and further in view of Hills et al. ("Hills"; U.S. Patent No. 6,164,528).

With respect to Claim 5, the Office Action asserts it would have been obvious to combine Pare with Hills in order to protect the merchant from fraud caused by a customer with insufficient funds. Claim 5 includes downloading and printing of a check that may be cashed by the merchant as a standard bank draft.

The Hills reference, on the other hand, discloses a system for verifying a consumer's credit worthiness (Hills Abstract and Hills col. 4 ll. 26-35) while eliminating paper checks (Hills col. 3 ll. 65-67). Further, Hills specifically teaches away from physically processing a check (Hills col. 4 ll. 43-51). Even if Pare and Hills are combined as suggested, the combination still does not teach the claimed invention.

Regarding Claim 6, applicants respectfully submit, for the reasons stated in the arguments for patentability of Claims 1 and 5, that the references do not teach the elements of the claim.

Regarding Claim 7, the Office Action asserts it would be obvious to combine Pare and Carlson "in order to generate a paper check that is routable via standard bank routing procedures." Carlson discloses a printer for the back of a physical check to endorse or cancel a check, not a printer for printing a check that may be used as a standard bank draft, as in the present invention.

Regarding Claim 8, the Office Action takes Official Notice that "confirming the order by a message from a merchant server to the client computer and the check verification server" is common and well known in the prior art in reference to network transactions. Applicants respectfully traverse. Applicants request either an affidavit or citations to prior art that show such a step in the context of the present invention.

Claim 8 adds the further limitation to the independent Claim 6 of a step of confirming the order by a message from the merchant server to the client computer and the check verification server. Because Claim 6 defines over the references of record, so does dependent Claim 8.

Regarding Claim 9, Applicants respectfully reassert that Pare and Carlson combined do not teach the elements of the claim. Further, as discussed regarding Claims 1 and 5, Pare does not disclose the limitations of the independent Claim 6.

Regarding Claim 10, Pare discloses a confirmation step (Pare col. 15 ll. 1-7) that is different from the approval step claimed. The confirmation step in Pare corresponds to an action performed by the payer to either approve or cancel the transaction. In Claim 10, approval is the transmission to the check server of the client information that was gathered during a previous step.

Regarding Claim 11, which adds a further limitation to the independent Claim 6, the Office Action takes Official Notice that a "guarantee of payment to a merchant" is common and well known in the prior art in reference to network transactions. Applicants respectfully traverse. Applicants request either an affidavit or citations to prior art that show such a step in the context of the present invention.

The description in the present specification and the cited references describe differing levels of certainty regarding the assurance of payment. These different levels have various costs and benefits (Pare col. 3 ll. 39-42, Carlson col. 2 ll. 29-31). For example, a system that assures payment prior to completing a transaction may be prohibitively expensive or slow, whereas a lower assured system may be cheaper, faster, and only check the credit history of a potential customer to make a judgment regarding the current transaction (Hills Abstract) with the risk that the promised funds may not be available at the settlement time (Carlson col. 1 ll. 32-47).

Regarding independent Claim 16, Applicants respectfully submit that Pare, Carlson and Hills cannot be combined as suggested, and do not teach the elements of the claim even if combined, for the reasons stated with respect to Claims 1 and 5.

Regarding dependent Claim 17, Applicants respectfully submit that Pare, Carlson and Hills cannot be combined as suggested, and do not teach the elements of the claim even if combined, for the reasons stated with respect to Claims 1 and 5. Claim 17 adds a further

limitation to Claim 16 that is implemented in a particular embodiment using the ACH network. Because independent Claim 16 defines over the references of record, so does dependent Claim 17.

Regarding Claim 18, as discussed regarding Claim 3, Claim 5 and Claim 16, Applicants respectfully submit that Pare, Carlson and Hills cannot be combined as suggested, and do not teach all the elements of the claim even if combined. Claim 18 adds a further limitation to independent Claim 16 that is implemented in a particular embodiment using the Internet. Because independent Claim 16 defines over the references of record, so does dependent Claim 18.

Regarding Claim 19, Applicants respectfully request that the rejection be withdrawn for the reasons stated above for Claim 7 and Claim 16. Claim 19 adds the further limitation to independent Claim 16 that is implemented in a particular embodiment using a magnetic ink character recognition-enabled printer. Because independent Claim 16 defines over the references of record, so does dependent Claim 19.

Applicants respectfully request that this rejection be withdrawn.

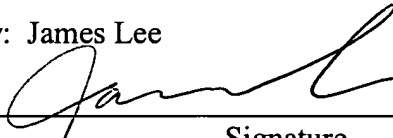
CONCLUSION

In view of the above amendments and remarks, it is respectfully submitted that all the claims are in condition for allowance, and early notification of same is requested.

If the Examiner believes an interview would be helpful to advance this case, he is requested to contact the undersigned attorney.

I hereby certify that this document and fee is being deposited on April 2, 2003 with the U.S. Postal Service as first class mail under 37 C.F.R. §1.8 and is addressed to the Assistant Commissioner for Patents, Washington, D.C. 20231.


By: James Lee



Signature

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Respectfully submitted,



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